# MAYOR & COUNCIL AGENDA COVER SHEET

**MEETING DATE:** 

December 2, 2002

**RESPONSIBLE STAFF:** 

Mark DePoe, Planner

**AGENDA ITEM:** 

(please check one)

	Presentation
	Proclamation/Certificate
	Appointment
	Public Hearing:
	Historic District
	Consent Item
	Ordinance
	Resolution
X	Policy Discussion
	Work Session Discussion Item
	Other:

#### **PUBLIC HEARING HISTORY:**

(Please complete this section if agenda item is a public hearing)

Introduced		
Advertised	10/09/2002	
	10/04/2002	
	10/11/2002	
	10/16/2002	
Hearing Date	10/21/2002	
Record Held Open	11/22/2002	
Policy Discussion		

## **TITLE: SDP-01-008**

Policy Discussion on SDP-01-008, Schematic Development Plan for Washingtonian Waterfront.

# SUPPORTING BACKGROUND:

The applicant, Washingtonian Lake, LLC., has submitted a Schematic Development Plan (SDP) application SDP-01-008. The application requests approval of a Schematic Development Plan (SDP), known as Washingtonian Center – Waterfront (Rio Retail), in Gaithersburg, Maryland. The plan includes 87,815 square feet of office and 18,080 square feet of first floor retail on approximately 5.3 acres (or 230,800 square feet) of land. The 5.3-acre site is adjacent to and north of Washingtonian Boulevard and south of Interstate 270 in the Washingtonian development in the Mixed Use Development (MXD) Zone.

In 1991, the Washingtonian tract was annexed into the City (Annexation X-159) and zoned MXD. The 1997 Master Plan, Neighborhood Three, designates the site as Parcel I, Block C for commercial/industrial-research-office use. The site is located between the existing Washingtonian Retail Center (SDP-W2 and W-1106) and the existing Rio Entertainment complex. This site will link the existing retail-commercial-entertainment-office uses and allow for the continuation of pedestrian circulation and activity. Uses that are encouraged for this site are retail, hotels, restaurants and office development.

The Mayor and Council and Planning Commission held a joint public hearing on October 21, 2002. The main issues discussed were pedestrian circulation, continuity with surrounding development, and parking. The Planning Commission closed their record as of October 30, 2002 and at their November 6, 2002 meeting forwarded their recommendation of approval to the Mayor and City Council for SDP-01-008. The Mayor and Council closed their record as of November 22, 2002. If the Mayor and Council direct Staff to prepare a resolution, Staff suggests bringing the resolution before the Mayor and Council on December 16, 2002.

#### Attached:

Exhibit 1: Planning Commission Report

Exhibit 2: Communication: Planning Commission

Exhibit 3: Peterson Companies letter, dated November 22, 2002

Exhibit 4: Washingtonian Waterfront SDP

Exhibit 5: Washingtonian Waterfront Rendering

## **DESIRED OUTCOME:**

Mayor and Council provide Staff guidance and direct Staff to prepare Resolution.

# STAFF COMMENTS FOR PLANNING COMMISSION

**MEETING DATE:** 

November 6, 2002

SCHEM. DEV. PLAN:

SDP-01-008

TITLE:

**WASHINGTN. CENTER WATERFRONT** 

**REQUEST:** 

**RECOMMENDATION TO M&C** 

For SDP Amendment: 5-Story Office Bldg. with 87,815 sq.ft. Office & 18,080 sq.ft. of 1<sup>st</sup> fl. Retail

on 5.3 acres.

**ADDRESS:** 

Washingtonian Boulevard south of I-270

**ZONE:** 

MXD ( Mixed Use Development) Zone

**APPLICANT/REPRESENTATIVE/ATTORNEY/DEVELOPER:** (as applicable)

Applicant:

Washingtonian Associates, LLC (Jeff Parana)

Owner:

Washingtonian Associates,LLC

Engineer:

Rodgers and Associates

Architect:

**DNC Architects** 

**STAFF PERSON:** 

Mark DePoe, Long-Range Planning Director

**Enclosures:** 

Staff Comments

Exhibit # 1:

Schematic Development Plan

Exhibit # 2:

Site Renderings and Building Elevations



#### **STAFF COMMENTS**

#### Background

The 5.3 acres parcel known as Washingtonian Center – Waterfront (SDP-01-008) was part of the Washingtonian Development site consisting of 102.5711 acres of land annexed into the City of Gaithersburg on July 9, 1991. The Washingtonian Development had received an approval from Montgomery County by Resolution Number 10-1592 adopted November 5, 1985, approving Zoning Application Number G-439 setting forth the right to develop 4,525,000 square feet of space in conformance with a sketch plan approved as part of that application. The annexation agreement between the City of Gaithersburg, and the property owner states that the schematic development plan (SDP) process is complete as set forth by the agreement unless subsequent amendments are requested by the property owner, or any party on its behalf.

The approximate square footage of the Washingtonian Development (existing) is:

Washingtonian Center Retail	459,206 sq. ft.
Springhill Suites	110,000 sq. ft.
Residence Inn	91,370 sq. ft.
Marriott Hotel	167,803 sq. ft.
Marriott Office (under construction)	300,000 sq. ft.
Bechtel Office	304,000 sq. ft.
Rio Center	190,000 sq. ft.
Gas Station	7,446 sq. ft.
Perkins Restaurant	5,565 sq. ft.

#### TOTAL

1,635,390 sq. ft.

The Washingtonian Development is permitted 4,525,000 sq. ft. per the annexation agreement. Minus the 1,635,390 sq. ft. of existing development Washingtonian is permitted 2,889,610 sq. ft. of future development. The Washingtonian North project is proposing 850,000 sq. ft. of office and the Washingtonian Rio Retail (SDP-01-003) project was approved for 190,000 sq. ft. of commercial/retail/hotel uses. With these two developments subtracted from the remaining 2,889,610 sq. ft., Washingtonian is still permitted 1,859,610 sq. ft. of development.

The Washingtonian Rio Retail SDP-01-003 is located on the same 5.3 acres of property that is designated for the proposed office building. The Mayor and City Council approved SDP-01-003 on September 24, 2001 by Resolution R-\_\_\_\_\_\_.

#### Location

The subject property ("Property") is adjacent to and north of Washingtonian Boulevard and adjacent to and south of the existing Washingtonian SWM Pond and south of Interstate 270 in the Mixed Use Development (MXD) Zone.

## Existing Land Use/Physical Characteristics

The Property is rectangular in shape and is bounded on the east and west by existing commercial/retail development, on the north by a SWM pond and on the south by public right-of-way (Washingtonian Boulevard). Currently, the Property is undeveloped and in use

as surface parking for the surrounding commercial development. The parking does contain the typical interior landscaping.

#### Proposed Use/Zoning

The applicant, Washingtonian Associates, LLC., has submitted a Schematic Development Plan (SDP) application SDP-01-008. The application requests approval of a Schematic Development Plan (SDP), known as Washingtonian Center – Waterfront (Rio Retail), in Gaithersburg, Maryland. The plan includes 87,815 square feet of office and 18,080 square feet of retail on approximately 5.3 acres (or 230,800 square feet) of land. The 5.3 acre parcel is adjacent to and north of Washingtonian Boulevard and adjacent to and south of the existing Washingtonian SWM Pond and south of Interstate 270 in the Mixed Use Development (MXD) Zone.

### Neighborhood Land Use/Zoning

In 1991, the Washingtonian tract was annexed into the City (Annexation X-159) and zoned MXD. The 1997 Master Plan, Neighborhood Three, designates the site as Parcel I, Block C for commercial/industrial-research-office use. The site is located between the existing Washingtonian Retail Center (SDP-W2 and W-1106) and the existing Rio complex. This site will link the existing retail-commercial-office uses and approved hotel-retail-restaurant uses and allow for the continuation of pedestrian, commercial, office and entertainment activity. Uses that are encouraged for this site are retail, hotels, restaurants and office development.

#### Parking and Traffic

The applicant must construct a parking facility, prior to construction of the hotel structure and restaurant pad sites, as part of the SDP-01-003 requirements. This requirement will also apply to the proposed office building. The hotel-retail-restaurant uses approved and the office-retail use proposed for this 5.3 acre site must use the parking garage spaces to fulfill their parking requirements. The proposed parking facility is to be built on the existing surface parking lot so to build the parking garage first allows for the lost parking to be replaced sooner and all the parking required for the uses will be immediately available.

Use	Building Footprint	Use Square Footage	Parking Required
Restaurant A	8,000 s.f.	8,000 s.f.	104 spaces
Restaurant B	5,100 s.f.	5,100 s.f.	67 spaces
Restaurant C	5,000 s.f.	5,000 s.f.	65 spaces
Hotel (210 rooms)	16,700 s.f.	128,200 s.f.	252 spaces
Hotel Retail	See Hotel	13,800 s.f.	76 spaces
Parking Garage Retail	49,025 s.f.	15,300 s.f.	85 spaces
Office Building		87,815 s.f.	293 spaces
Office First Floor Retail	See Office Building	18,080 s.f.	100 spaces

Using the conventional parking requirements, the total number of parking spaces required is 1042 spaces. The approved SDP-01-003 parking garage contains approximately 812 parking spaces.

The applicant is using the shared parking calculations (Section 24-219(c), of the Zoning Ordinance) for mixed use developments to determine the required number of parking spaces. The applicant is including the approved and proposed development of the Washingtonian Waterfront (5.3 acre) site, the existing Rio Entertainment complex and the existing Bechtel office building to determine the required parking. The applicant is using the existing Bechtel parking garage, the approved parking garage (SDP-01-003), on-site surface parking and Washingtonian Blvd. on-street parking. The time that generates the highest number of parking spaces required is during the day time of a weekday which is reflected in the table below.

	TOTAL	2,293 spaces
	Off-Site (Wash. Blvd.) Surface Parking	153 spaces
	On-Site Surface Parking	168 spaces
Parking	SDP-01-003 Garage	812 spaces
Proposed	Bechtel Garage	1,160 spaces
	TOTAL	2,191 spaces
	Health Club (Rio)	81 spaces (40%)
·	Theater (Rio)	379 spaces (40%)
	Restaurants (SDP-01-003)	204 spaces (50%)
	Hotel (SDP-01-003)	164 spaces (75%)
Parking	Retail (Rio, SDP-01-003 & SDP-01-008)	159 spaces (60%)
Required	Office (Bechtel & SDP-01-008)	1,306 spaces (100%)

The total number of parking spaces required is 2,385 spaces. The total number of parking spaces provided is 2,293 spaces creating a surplus of 92 spaces.

The parking spaces along the internal street system should be dedicated to the retail uses only. Staff recommends some form of time limit be placed on the spaces (1 to 2 hours) so that they may only be used by retail patrons. Staff also suggests that the first two floors of the parking structure be dedicated to the retail, restaurant and Rio users. This should also be enforced for the Bechtel building since the applicant is using that garage to meet parking requirements. It should be made clear to the hotel and office users that they must park on the remaining floors of the parking structures. The applicant should provide the City with a parking agreement that stipulates the use of the parking structures and surface parking spaces.

The applicant is proposing to provide a shuttle service throughout the Washingtonian retail development during the construction of the parking garage. This service will allow visitors to park throughout the existing Washingtonian retail area and have access to all uses. The applicant may continue the service after the garage is completed. The shuttle service was a condition of the approved plans SDP-01-003 and SP-01-015 for the Washingtonian Waterfront and should be made a condition of this application.

The applicant will have to work with the City PWPME on the design of the left turn lane from Washingtonian Boulevard into the site. The length of the turning lane may need to be increased to accommodate the increase in left turn movements into the site.

#### **Pedestrian Circulation**

A key issue of the project is pedestrian circulation and connection to the adjacent uses and clear pedestrian directional signage. The proposed development will have access to the surrounding uses by way of the existing boardwalk along the SWM pond, the existing pedestrian bridge and the sidewalk along Washingtonian Boulevard. The boardwalk and pedestrian bridge connects the Property to the existing Washingtonian commercial development to the west and the boardwalk and internal sidewalks will connect the Property to the existing Rio commercial development to the east. Also, the boardwalk connects with an existing pedestrian path system that links the existing parking areas, offices and hotels further east within the Washingtonian development. Staff recommends that the applicant provide pedestrian and parking signage from the adjacent parking areas, hotels and office to the east to clearly direct visitors to the Property and around the Washingtonian development.

#### **Amenities**

The applicant is proposing to provide a pedestrian crosswalks and sidewalk connections across Washingtonian Boulevard in the vicinity of the existing Bechtel office building and Athletic Way. Staff has been working with the applicant, the residents and County on the proposed crosswalk.

#### Architecture, Streetscape and Signage

The first floor architecture shall be consistent with the existing architecture within the Washingtonian development. The first floor of the building will be in use as retail. The applicant is proposing pre-cast concrete construction for the remaining floors of the office building. This element will be reviewed and approved by the Planning Commission at the final site plan stage.

The streetscape (trees, benches, paving, lighting and signage) shall be consistent with the existing streetscaping within the Washingtonian development. This element will be reviewed and approved by the Planning Commission at the final site plan stage.

The signage shall be consistent with the existing signage within the Washingtonian development. This element will be reviewed and approved by the Planning Commission at the final site plan stage. This includes the pedestrian directional signage mentioned above.

The Mayor and Council meeting to hear and approve or disapprove the Planning Commissions recommendations has not been tentatively scheduled for December 2, 2002. As per Section 24-198(c)(3)a, "the Mayor and Council shall approve or disapprove the recommendations of the planning commission, without the necessity of a public hearing...".

#### **STAFF CONCLUSION**

The Planning Commission is providing a recommendation to the Mayor and Council for this application tonight. **The Planning Commission closed their record as of October 30, 2002.** 

Staff finds that this application is in conformance with the MXD, Mixed Use Development and complies with §24-160D.11, Procedures for Amendment, and §24-198(c) of the City's zoning regulations. If the Planning Commission decides to recommend approval to the Mayor and City Council, then the following conditions should be addressed:

1. The applicant must provide a phasing schedule of the development that states the parking structure will be the first stage of development for the 5.3 acre site.

2. The on-site and off-site surface parking spaces, other than the 39 spaces between the office building and Washingtonian Blvd. that are dedicated to the office building, shall be for retail use only. The applicant will work with Staff to determine the appropriate signage and time limits for the surface parking.

3. The applicant shall provide an agreement, to be recorded, that requires the majority of parking spaces on the first few floors of the garage structures to be dedicated to retail/commercial use parking. The applicant will work with Staff on determining the location and floors to be designated and appropriate signage.

4. The architecture, streetscaping and signage shall be consistent with the existing architecture, streetscaping and signage within the Washingtonian development and will be reviewed and approved by the Planning Commission at the final site plan stage.

5. The applicant will work with the City PWPME on the improvement and design of the left turn lane from Washingtonian Boulevard into the site and shall provide all necessary improvements, if necessary.

6. The City of Gaithersburg Department of Public Works Parks Maintenance and Engineering (PWPME) must approve the conceptual Stormwater Management for the site.

7. The applicant shall provide a shuttle service throughout the Washingtonian retail development during the construction of the parking garage. The details of the service will be finalized and approved by the Planning Commission and Staff during the final site plan stage.

8. The required shuttle service, pedestrian and parking signage, and tot lot as described and required with SDP-01-003 and SP-01-015 approvals shall be approved, completed and operational prior to building permits for the office building. The seasonal shelter as described and required with SDP-01-003 and SP-01-015 approvals shall be approved and completed prior to use and occupancy permits for the office building.

9. The applicant shall provide a crosswalk and connecting sidewalks across Washingtonian Boulevard in the vicinity of the existing Bechtel office building and Athletic Way. The applicant will work with Staff, the residents and County on the crosswalk location during site plan.

10. The applicant shall provide a public improvement contribution to be used for the restoration of Washingtonian Boulevard fronting the 5.3 acre site. The applicant will work with PWPME to determine the amount of contribution for the improvements.

## COMMUNICATION: PLANNING COMMISSION

**MEMORANDUM TO:** Mayor and City Council

VIA:

David Humpton, City Manager

FROM:

Jennifer Russel, Planning and Code Administration Director

DATE:

November 13, 2002

**SUBJECT:** 

SDP-01-008 -- Washingtonian Lake, LLC

Proposal for a schematic development plan [Washingtonian Center Waterfront (Rio Retail)] for 87,815 square feet of office and 18,080 square feet of retail on approx. 5.3 acres of land, adjacent to and north of Washingtonian Boulevard and south of I-270 and zoned MXD (Mixed use Development), in Gaithersburg,

Maryland.

At its regular meeting on November 6, 2002, the Planning Commission made the following motion:

Commissioner Bauer moved, seconded by Commissioner Hicks, to recommend to the City Council SCHEMATIC DEVELOPMENT PLAN APPROVAL for SDP-01-008 — Washingtonian Center Waterfront, with the following conditions:

- 1. Applicant must provide a phasing schedule of the development that states the parking structure will be the first stage of development for the 5.3-acre site;
- 2. On/off-site surface parking spaces, other than the 39 spaces between the office building and Washingtonian Boulevard that are dedicated to the office building, shall be for retail use only. The applicant is to work with staff to determine the appropriate signage and time limits for the surface parking;
- 3. Applicant must provide an agreement to be recorded that determines the location and use of parking distribution within the garage, unless an alternative design solution to remedy potential parking distribution problems can be agreed upon prior to final site plan approval;



- 4. Architecture, streetscaping, and signage must be consistent with the existing architecture, streetscaping and signage within the Washingtonian development, to be reviewed and approved by the Planning Commission at the final site plan stage;
- 5. Applicant is to work with the City DPWPM&E on the improvement and design of the left-turn lane from Washingtonian Boulevard into the site and provide all needed improvements, if necessary;
- 6. DPWPM&E must approve the conceptual storm water management for the site;
- 7. Applicant must provide a shuttle service throughout the Washingtonian retail development during the construction of the parking garage. Details of the service are to be finalized and approved by the Planning Commission and staff during the final site plan stage;
- 8. The required shuttle service, pedestrian and parking signage, and tot lot as described and required with SDP-01-003 and SP-01-015 approvals are to be approved, completed, and operational prior to building permits for the office building. The seasonal shelter as described and required with SDP-01-003 and SP-01-015 approvals is to be approved and completed prior to use and occupancy permits for the office building. The two pocket parks are to come in at the time of the restaurants;
- 9. Applicant must provide a crosswalk and connecting sidewalks across Washingtonian Boulevard in the vicinity of the existing Bechtel office building and Athletic Way. Applicant is to work with staff, the residents and County on the crosswalk location during site plan; and
- 10. Applicant must provide a public improvement contribution to be used for the restoration of Washingtonian Boulevard fronting the 5.3-acre site. Applicant is to work with DPWPM&E to determine the amount of contribution for the improvements.

Vote: 5-0

Same Piller

12500 Fair Lakes Circle Fairfax, Virginia 22033

# The Peterson Companies

November 22, 2002

Mayor & City Council City of Gaithersburg City Hall Gaithersburg, Maryland

Dear Sir or Madam:

Before you Monday, December 2, 2002 is SDP - 01-008, final recommendation from the Planning Commission to the city council. This SDP is being presented by the Peterson Companies for the purchaser of the property, Realty Capital Partners of McLean, Virginia.

We have been working on uses for this property since before the Master Plan review process last year. During that process the Washingtonian was designated as a "Special Study Area" to evaluate our request for a residential tower located on the site of today's office building. While there was considerable sentiment in favor of the residential use, the "stakeholders meeting" proved that the citizens were against residential and in favor of office. As a result of that meeting and after consultation with the planning staff and council members the residential tower concept was abandened and the ground was sold to Realty Capitol Partners.

Realty Capitol Partners was chosen for several reasons including their reputation for quality and their willingness to build the building immediately on "speculation". An office building within the Washingtonian designed to accommodate the small office user who may be a service provider to the large corporate user's already in place or a professional providing services to nearby residential made some sense. In addition, their willingness to speculate in today's office market was a great benefit to us in that it allowed the completion of the lakefront complex all at once. This precluded the possibility that we would be involved in construction on the lakefront for years, waiting for the office market to return. The building is five stories tall, containing 87,815 of office and 18,080 square feet of retail located on the ground floor facing Main Street to maintain the downtown streetscape.

Directly across the street from the office building and lakefront retail is a seven story parking garage containing over 800 parking places. The garage is specifically designed to accommodate office and retail users. There are thirty seven parking places on the street in the lakefront and fifty parking places on the ground floor of the garage. The circumstances are perfect for shared use parking which allows greater and more efficient use of available land and a concentration of development within a smaller area. Ingress and egress points are strategically located within the parking garage to move people to their various destinations within the complex. The garage is approved as designed and is owned by the Washingtonian.

Parking is an issue not taken lightly by the development community. The entire concept of the Washingtonian was to create an urban environment that got people out of their cars and onto their feet. This has always been an alien concept to most retailers and office users but we know that the urban characteristics of the Washingtonian have accomplished that. We also know that the retail uses on the lakefront will not be day time draws, that a large percentage of daytime lakefront customers will walk from the more popular daytime retailers in the Washingtonian on the other side



November 22, 2002 Page 2

of the lake bridge and that the office (employee) users of parking will utilize the garage during daytime hours on weekdays. In addition, we know that small office buildings that provide outlets for professional service providers rely on visitors (customers) to their office complexes as a part of the service they provide. This condition is perfect for "shared use parking." The design of the garage is centrally located and makes all decks convenient to the street for shoppers, customers to professional service providers, movie goers or office workers. It is the integration of this mix of uses that speaks to the very purpose of this design.

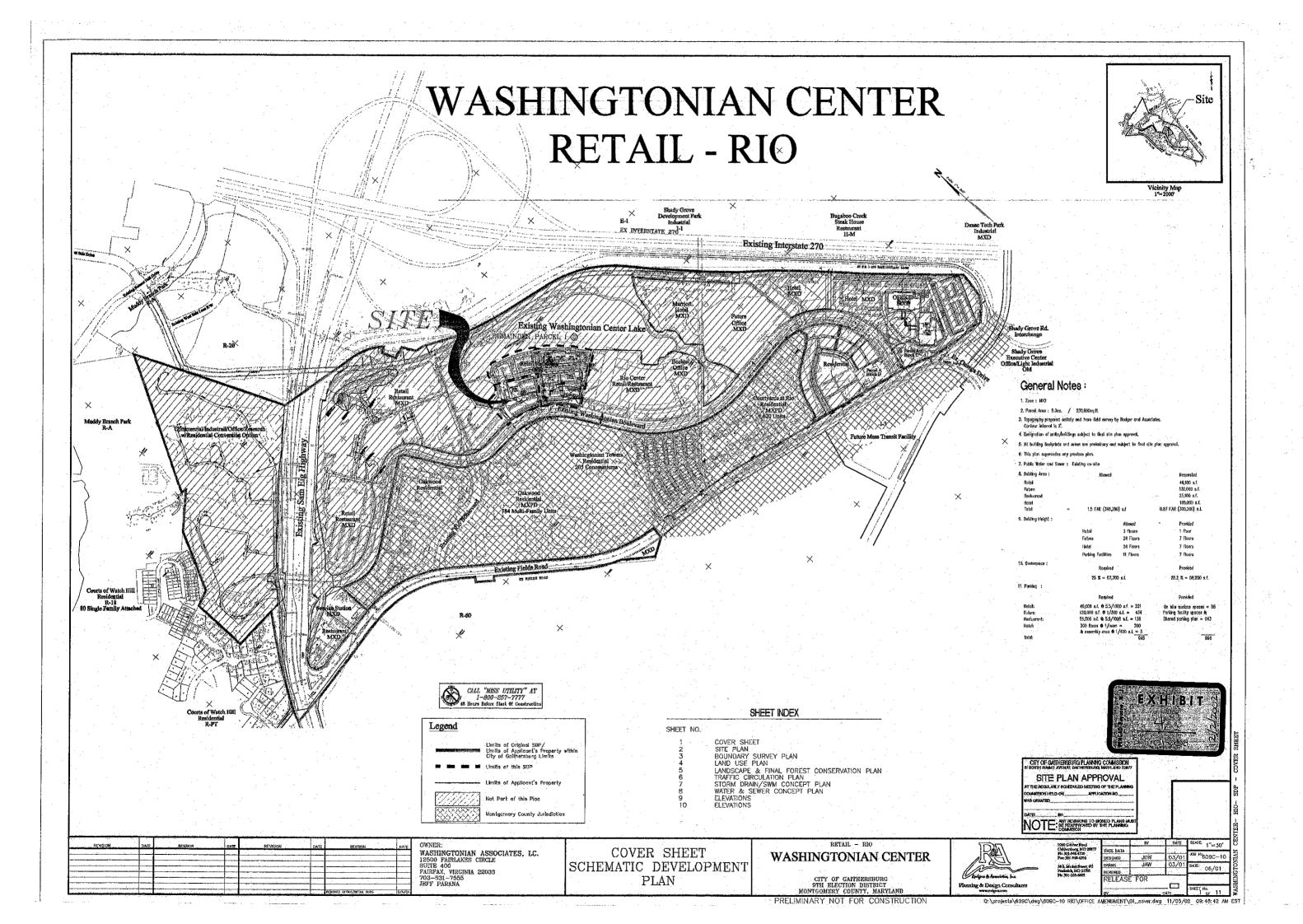
Last Wednesday at about 4:00 PM Jeff Parana spoke with Mark Depoe from the City Planning Department. Mark informed Jeff that several new conditions had been attached to the SDP recommendation. While we were surprised by the last minute nature of these attachments to the plan, one of the conditions had the effect of putting the office sales contract at risk. The condition read in part "The applicant shall provide an agreement to be recorded that requires the first few floors of the garage structures to be dedicated to retail/commercial use parking." The impact of this kind of a requirement is enormous. The building pad is sold. At the time of sale no such conditions were contemplated. The parking garage is approved and the construction drawings are in for review. We (Washingtonian Partnership) don't own the office building and the office building owners don't own the garage. The garage use agreements are a part of the sales package and were executed with the contract of sale. The concept of "assigned parking" in a mixed use design like the Washingtonian or at a location where shared use parking is so perfectly called for seems completely out of character to us and the office developer. The office developer is building a speculative office building in a market place gluttonous with office space. The impact of forcing his employees and customers to use assigned parking elevates the risk and is not acceptable to him. We do not assign employee parking any place else within the Washingtonian, even in retail locations with large numbers of employees and there has never been a request from retail users to do so at any location within the complex, including the retailers contemplating locations on the lakefront.

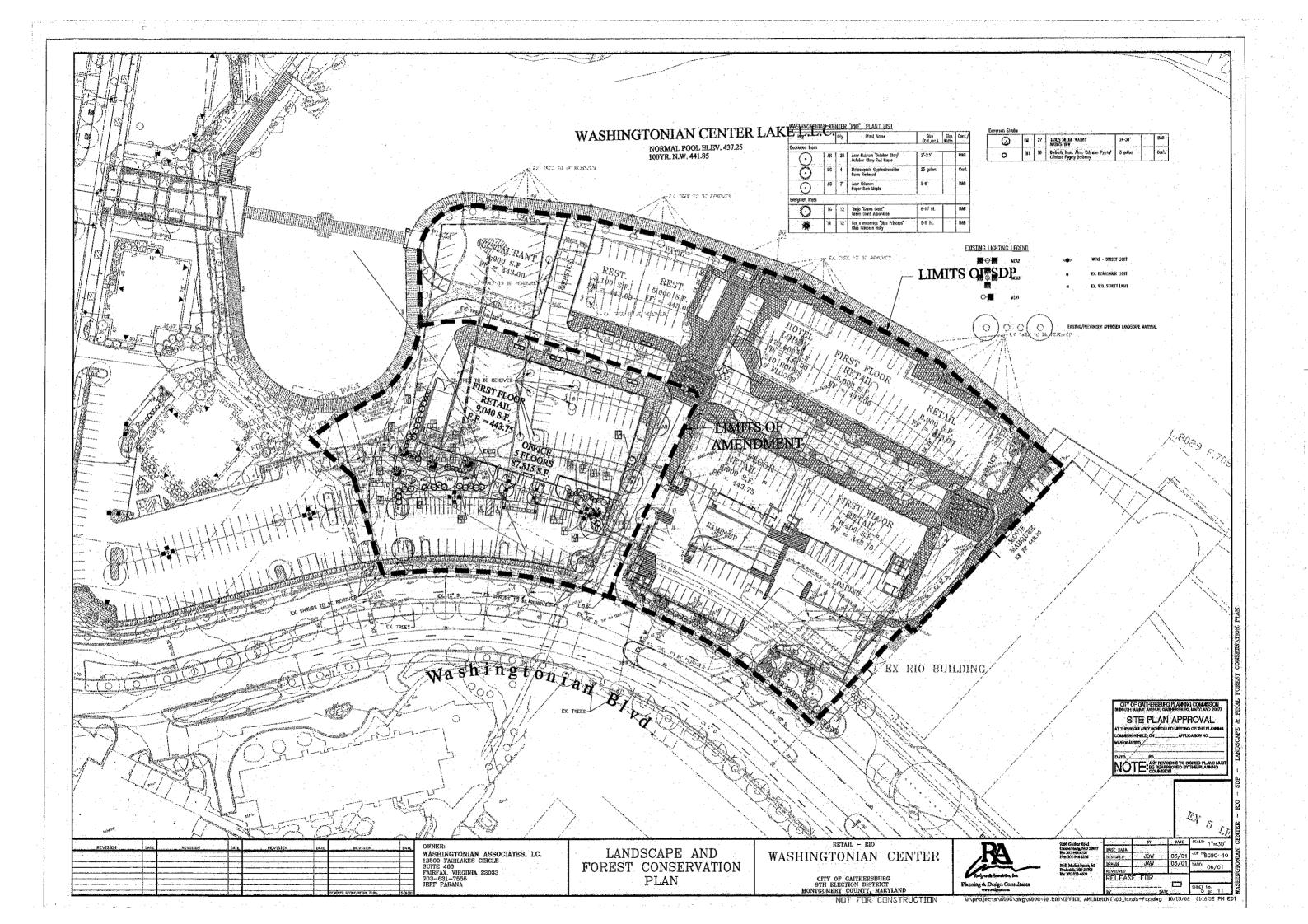
It is our intent to work with the staff, as we have in the past, to develop a condition that creates the results the staff is looking for without imposing unreasonable handicaps on this speculative office development. We are fortunate to have a developer who has the necessary confidence in what we have put together over the past five years in the Washingtonian to risk this action in today's office market. His willingness says a lot about what we have done and I hope we will not put him at further risk by the imposition of unnecessary handicaps.

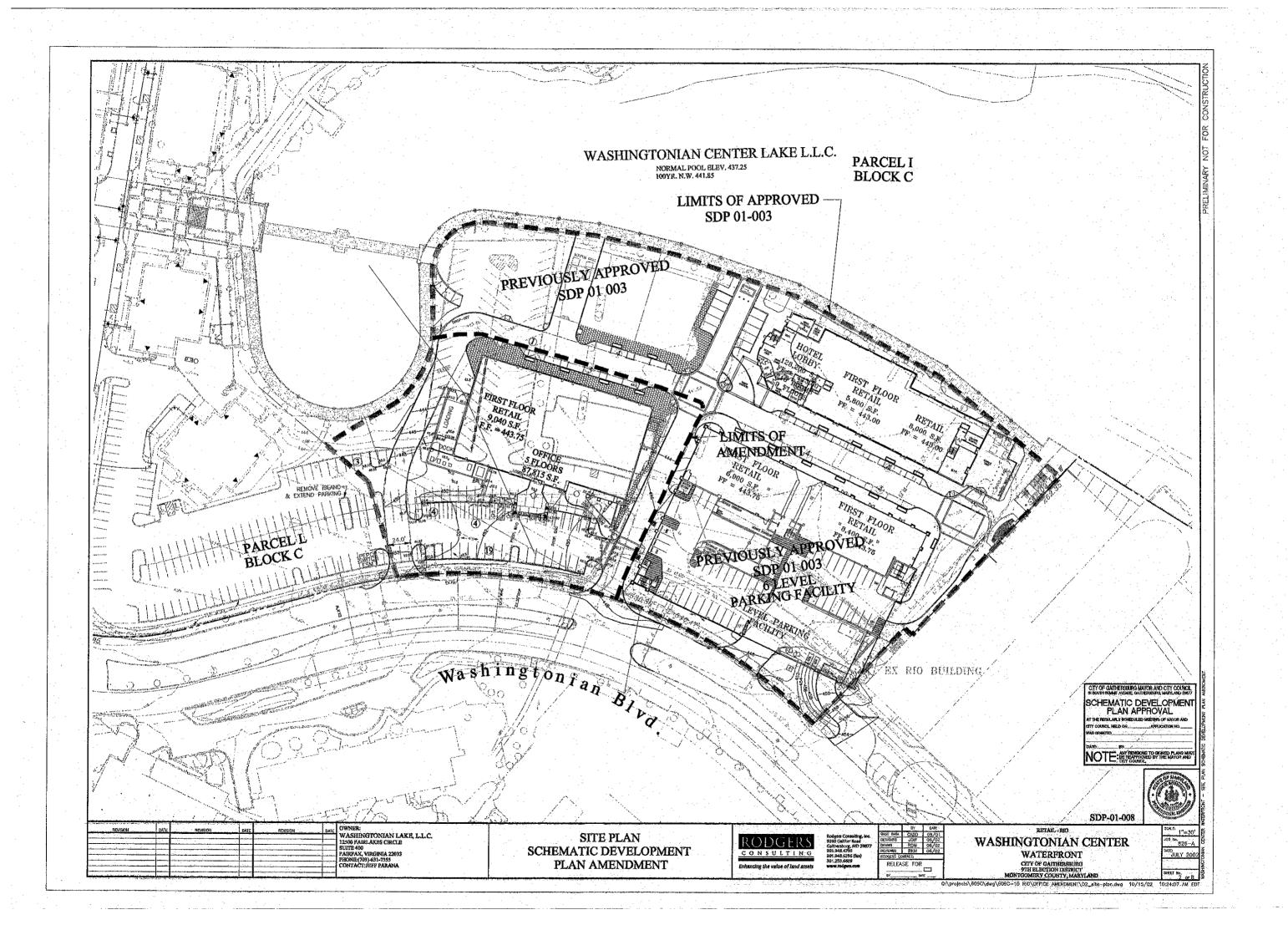
While we are optimistic that we will be successful at the staff level, we remain concerned that the imposition of a condition on the office SDP that poses as unacceptable risk to the office developer could be damaging to the timely completion of the Washingtonian. Capital Realty's willingness to develop this building together with the development of the lakefront means the coordinated completion of the Washingtonian within two years. This poses a tremendous advantage to the construction of such a dense development in such a small and heavily used location. Your consideration of our ultimate situation on December 2, 2002 would be appreciated.

Sincerely,

Robert W. (Chip) Burton II The Peterson Companies

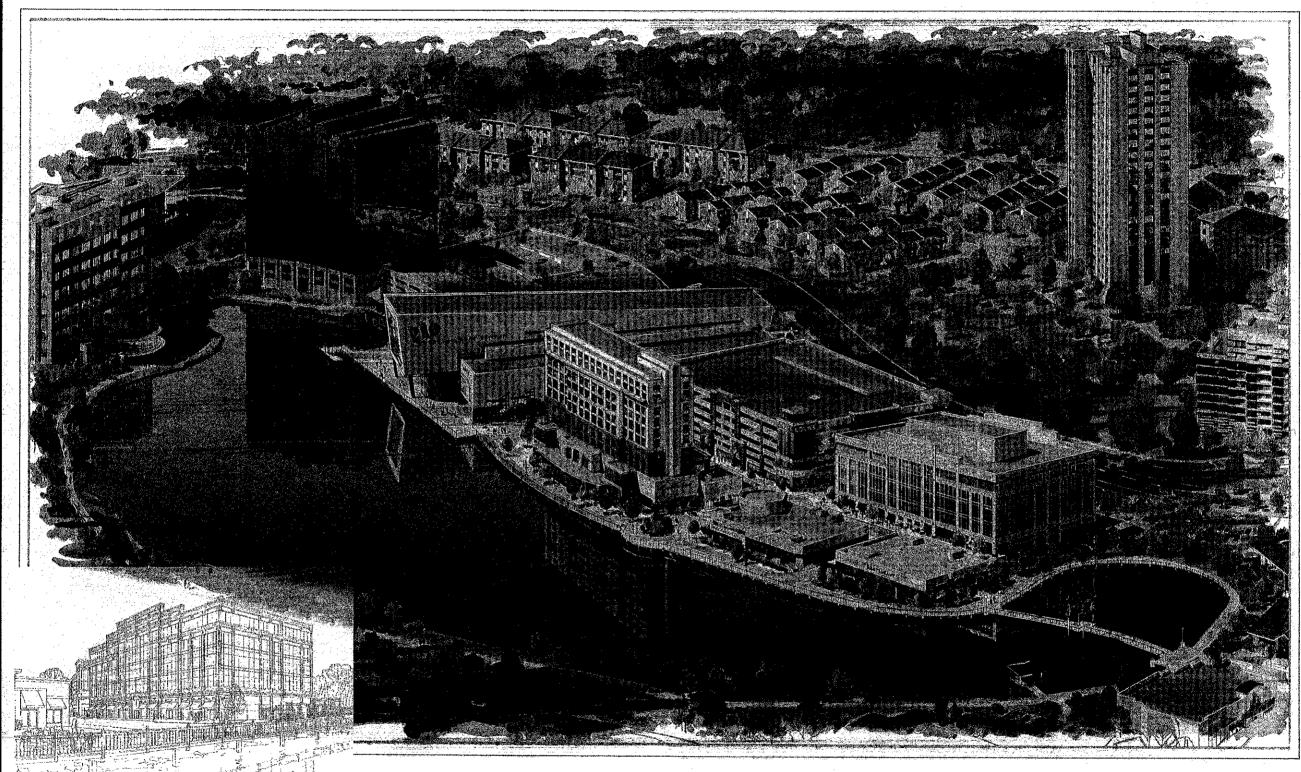






# Lakefront at Washingtonian

Gaithersburg, Maryland



Aerial View of Neighborhood with Proposed Development

View from Bridge Across Washingtonian Lake





